



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
Christopher Seppanen
Executive Director

SHELLY EDGERTON
DIRECTOR



Date Mailed: June 15, 2016
MAHS Docket No.: 16-006195
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Kevin Scully

HEARING DECISION

Following Petitioner's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, telephone hearing was held on June 08, 2016, from Lansing, Michigan. The Petitioner represented himself. The Department was represented by [REDACTED] (Eligibility Specialist). Witnesses on behalf of the Department included [REDACTED] (Family Independence Manager).

ISSUE

Did the Department of Health and Human Services (Department) properly determine the Petitioner's eligibility for the Food Assistance Program (FAP), Medical Assistance (MA), and the Medicare Savings Program (MSP)?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. The Petitioner was an ongoing Food Assistance Program (FAP) as a group of two, Medical Assistance (MA-SSI), and Medicare Savings Program (MSP) recipient.
2. On March 16, 2016, the Department sent the Petitioner a Verification Checklist (DHS-3503) requesting verification of his Retirement, Survivors, and Disability Insurance (RSDI) benefits and his wife's earned income from employment by March 28, 2016. Exhibit A, pp 4 – 5.

3. On April 4, 2016, the Department notified the Petitioner that he was no longer eligible for Food Assistance Program (FAP) benefits as of May 1, 2016. Exhibit A, pp 8 – 11.
4. On April 14, 2016, the Department notified the Petitioner that he was no longer eligible for Medical Assistance (MA) benefits effective May 1, 2016. Exhibit A, pp 12 – 14.
5. The Petitioner's wife receives monthly earned income from employment in the gross monthly amount of \$ [REDACTED] Exhibit A, pp 15 – 20.
6. The Petitioner receives monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of \$ [REDACTED]
7. On May 10, 2016, the Department notified the Petitioner that he is eligible for the Medicare Savings Program (MSP) effective April 1, 2016. Exhibit A, pp 23 – 27.
8. On May 10, 2016, the Department notified the Petitioner that he is eligible for a \$ [REDACTED] monthly allotment of Food Assistance Program (FAP) benefits as of May 1, 2016. Exhibit A, pp 28 – 32.
9. On May 3, 2016, the Department received the Petitioner's request for a hearing. Exhibit A, p 3.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

All earned and unearned income available is countable unless excluded by policy. Earned income means income received from another person or organization or from self-employment for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMA), alimony, and child support payments. The

amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. Department of Human Services Bridges Eligibility Manual (BEM) 500 (January 1, 2016).

All income is converted to a standard monthly amount. If the client is paid weekly, the Department multiplies the average weekly amount by 4.3. If the client is paid every other week, the Department multiplies the average bi-weekly amount by 2.15. Department of Human Services Bridges Eligibility Manual (BEM) 505 (July 1, 2014), pp 7-8.

The Petitioner has been an ongoing recipient of FAP benefits as a group of two since February 1, 2016. The Petitioner receives monthly Retirement, Survivors, and Disability Insurance (RSDI) benefits in the gross monthly amount of \$[REDACTED]. The Petitioner's wife received earned income from employment in the gross monthly amount of \$[REDACTED]. The wife's monthly income was determined by multiplying the average of her gross earnings of \$[REDACTED] received on March 19, 2016, \$[REDACTED] received on April 2, 2016, and \$[REDACTED] received on April 16, 2016, by the 2.15 conversion factor. The Petitioner's adjusted gross income of \$[REDACTED] was determined by reducing the group's total monthly income by the 20% earned income deduction, the \$[REDACTED] standard deduction, and an \$[REDACTED] deduction for verified medical expenses that exceed \$35 as directed by BEM 556. Department of Health and Human Services Bridges Eligibility Manual (BEM) 556 (July 1, 2013), p 4. The Petitioner is entitled to a \$[REDACTED] excess shelter deduction that was determined by adding his monthly housing expenses of \$[REDACTED] to the \$[REDACTED] standard heat and utility deduction, and then subtracting 50% of the adjusted gross income.

The Petitioner's net income of \$[REDACTED] was determined by subtracting the excess shelter deduction from his adjusted gross income. A FAP group of two with a net income between \$[REDACTED] and \$[REDACTED] is entitled to a \$[REDACTED] monthly allotment of FAP benefits.

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. The Department (formerly known as the Department of Human Services) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

Supplemental Security Income (SSI) is a cash benefit for needy individuals who are aged (at least 65), blind or disabled. The Social Security Administration (SSA) determines SSI eligibility. To be automatically eligible for Medicaid (MA) an SSI recipient must both a Michigan resident and cooperate with third-party resource liability requirements. The Department administers MA for SSI recipients, including a continued MA eligibility determination when SSI benefits end. Ongoing MA eligibility begins the first day of the month of SSI entitlement. Department of Health and Human Services Bridges Eligibility Manual (BEM) 150 (October 1, 2015), p 1.

When SSI benefits stop, the Department evaluates the reason based on the action taken by the Social Security Administration, then does one of the following:

- MA-SSI is closed in Bridges if SSI stopped for a reason that prevents continued MA eligibility (for example, death, moved out of state).
- SSI cases not closed due to the policy above are transferred to the SSI Termination (SSIT) Type of Assistance. A redetermination date is set for the second month after transfer to allow for an ex parte review.

Department of Health and Human Services Bridges Eligibility Manual (BEM) 150 (October 1, 2015), p 6.

Before closing MA benefits due to SSI closure, the Department will determine if there is eligibility under some other category and mail a redetermination packet to the client, which should include the DCH-1426 Application for Health Coverage & Help Paying Cost and a DHS-3503 Verification Checklist. BEM 150, pp 6 – 7.

The Petitioner was an ongoing MA recipient based on his receipt of SSI benefits. The Petitioner is no longer eligible for MA benefits under the MA-SSI category. As a SSI recipient, the Petitioner was automatically eligible for MA benefits. Since the closure of SSI was not based on a finding that he is no longer disabled, the Petitioner is potentially eligible for MA benefits under some other category.

The Petitioner has a duty to provide the Department with information necessary to determine what category of MA benefits he is eligible for after the closure of his SSI benefits. Since the Petitioner may be eligible in a category of MA with a deductible, the Department is required to ensure that he meets all of the criteria, financial and non-financial, of whatever category he is placed in.

In this case, the Petitioner testified that he refused to complete an Application for Health Coverage, and unless he provides the Department with the information requested, his eligibility of MA benefits will end.

There are three categories of Medicare Savings Program (MSP) benefits including the Qualified Medicare Beneficiary (QMB), the Special Low Income Medicare Beneficiary (SLMB), and the Additional Low Income Medicare Beneficiary (ALMB). QMB pays Medicare premiums, and Medicare coinsurances, and Medicare deductibles. QMB coverage begins the calendar month after the processing month. SLMB pays Medicare Part B premiums. SLMB coverage is available for retro MA months and later months. ALMB pays Medicare Part B premiums provided funding is available. The Department of Community Health notifies the Department of Human Services if funding is available. ALMB coverage is available for retro MA months and later months. Department of Human Services Bridges Eligibility Manual (BEM) 165 (January 1, 2015), pp 2-3.

Reinstatement restores a closed program to active status without completion of a new application. Closed programs may be reinstated if benefits are closed in error.

Department of Health and Human Services Bridges Administrative Manual (BAM) 205 (July 1, 2015), p 1.


The Petitioner was an ongoing MSP recipient when the Department notified him that he was no longer eligible effective May 1, 2016. On May 10, 2016, the Department notified the Petitioner that he has been eligible for MSP benefits as of April 1, 2016. The evidence presented on the record indicates that there has been no loss of MSP benefits.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it determined his eligibility for Food Assistance Program (FAP), Medical Assistance (MA), and Medicare Savings Program (MSP) benefits.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED**.

KS/las



Kevin Scully
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

NOTICE OF APPEAL: A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; Attention: MAHS Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-8139

DHHS

[REDACTED]

[REDACTED]

Petitioner

[REDACTED]